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STATUTORY INSTRUMENTS

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**1999 No. 2639**

**GAS**

**The Gas Act 1986 (Exemptions) Order 1999**

<i>Made</i>	- - - -	<i>18th September 1999</i>
		<i>22nd September</i>
<i>Laid before Parliament</i>		<i>1999</i>
<i>Coming into force</i>	- -	<i>14th October 1999</i>

The Secretary of State, in exercise of the powers conferred upon him by section 6A of the Gas Act 1986<sup>(1)</sup> and after consultation with the Director General of Gas Supply, hereby makes the following Order:

**Citation, coming into force and duration**

1.—(1) This Order may be cited as the Gas Act 1986 (Exemptions) Order 1999.

(2) This Order and the exemptions contained in it shall come into force on 14th October 1999 and each such exemption, unless previously revoked in accordance with paragraph (3) below, shall continue in force until 1st March 2011 and shall then expire.

(3) Any exemption contained in this Order shall only be revoked with effect from a date after the expiry of the period of four months beginning with the day on which the Order containing the revocation was laid before Parliament.

**Interpretation**

2. In this Order—

“the 1986 Act” means the Gas Act 1986;

“contravene” includes fail to comply with;

“convey” does not include the subjecting of gas to any gas processing operations carried out in any gas processing facility before gas conveyed from a relevant storage facility enters a pipeline system operated by a public gas transporter;

“Director” means the Director General of Gas Supply;

“gas” means any substance which consists wholly or mainly of—

(a) methane, ethane, propane, butane, hydrogen or carbon monoxide;

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(1) 1986 c. 44; section 6A was substituted by section 4 of the Gas Act 1995 (c. 45).

- (b) a mixture of two or more of those gases; or
  - (c) a combustible mixture of one or more of those gases and air;
- “gas processing facility” means any facility which carries out gas processing operations;
- “gas processing operations” means any of the following operations, namely—
- (a) purifying, blending, odourising or compressing gas for the purpose of enabling it to be introduced into a pipe-line system operated by a public gas transporter;
  - (b) removing from gas for that purpose any of its constituent gases, or separating from that gas for that purpose any oil or water; and
  - (c) determining the quantity or quality of gas which is or is to be so introduced;
- “relevant storage facility” means any facility used wholly or mainly for the purpose of storing gas, but does not include a facility used for storing gas in natural porous strata underground; and
- “relevant transporter” means any person, not being the holder of a licence under section 7 of the 1986 Act<sup>(2)</sup> in respect of such conveyance, who conveys gas through pipes from a relevant storage facility for a distance not exceeding 16.093 kilometres to a pipe-line system operated by a public gas transporter, and “relevant transport” shall be construed accordingly.

### **Exemption in respect of relevant transport**

3.—(1) Subject to paragraph (2) below, relevant transporters are hereby granted exemption from section 5(1)(a) of the 1986 Act in respect of relevant transport.

(2) The exemption granted by paragraph (1) above shall cease to have effect in relation to any relevant transporter who contravenes any of the conditions specified in articles 4 to 6 below.

### **Conditions of exemption**

4.—(1) Subject to paragraph (2) below, every relevant transporter shall, except in so far as the Secretary of State consents to his not doing so, comply with any direction given by the Secretary of State (after he has consulted the relevant transporter, the relevant public gas transporter, the Director and the Health and Safety Executive) that the relevant transporter supply to a relevant public gas transporter such information as may be specified or described in the direction—

- (a) at such times, in such form and such manner; and
- (b) in respect of such periods,

as may be so specified or described.

(2) Where a relevant transporter is prevented from complying with paragraph (1) above by an incident beyond his control, he shall not be treated as having contravened the condition specified in that paragraph.

(3) In this article—

“information” means information—

- (a) relevant to the operation of a pipe-line system—
  - (i) which is operated by such public gas transporter as may be specified in the direction given by the Secretary of State; and
  - (ii) to which gas is conveyed—
    - (aa) by the relevant transporter in pursuance of the exemption granted by article 3 above; or

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(2) Section 7 was substituted by section 5(1) of the Gas Act 1995.

- (bb) directly or indirectly, by a relevant public gas transporter; and
- (b) relating to—
  - (i) the calorific value or the total quantity of gas expected to be conveyed or which could be conveyed during the next following day by the relevant transporter in pursuance of the exemption granted by article 3 above; or
  - (ii) any changes in such calorific value or total quantity as may be so specified;

“day” means the period beginning at 6 a.m. on one day and ending immediately before 6 a.m. on the next following day;

“relevant public gas transporter” means a public gas transporter operating a pipe-line system to which the relevant transporter undertakes relevant transport.

5.—(1) Subject to article 6 below, every relevant transporter shall provide the Director with the following particulars not less than 30 days before the date (“commencement date”) on which he intends to commence any relevant transport—

- (a) the commencement date;
- (b) the location of the relevant storage facility;
- (c) the maximum quantity of gas that the relevant storage facility is designed to store (“design capacity”); and
- (d) the maximum rate at which gas is designed to be conveyed from the relevant storage facility to a pipe-line system operated by a public gas transporter for a continuous period of 24 hours (“design flow rate”).

(2) Whenever there is an increase or decrease of more than 10 per cent in the design capacity or design flow rate last notified to the Director, resulting from works carried out with a view to such increase or decrease, the relevant transporter shall provide the Director with particulars of such increase or decrease within 30 days of the completion of those works.

6. Where a relevant transporter intends to commence relevant transport less than 30 days after the date on which this Order comes into force, he shall provide the Director with the particulars specified in article 5(1) above in respect of the relevant storage facility within 30 days of that date.

### **Exemptions in respect of conveyance and supply of gas to a relevant storage facility**

7.—(1) An exemption from section 5(1)(a) of the 1986 Act is hereby granted, in respect of such conveyance, to any person who conveys gas through pipes from a pipe-line system operated by a public gas transporter for a distance not exceeding 16.093 kilometres to a relevant storage facility or to premises used solely in connection with the operation of such relevant storage facility.

(2) An exemption from section 5(1)(b) of the 1986 Act is hereby granted, in respect of such supply, to any person who supplies gas to a relevant storage facility or to premises used solely in connection with the operation of such relevant storage facility, for the purpose of—

- (a) the storage of that gas in the facility; or
- (b) the operation of the facility.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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18th September 1999

*Helen Liddell*  
Minister for Energy and Competitiveness in  
Europe,  
Department of Trade and Industry

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

Section 6A of the Gas Act 1986, as substituted by section 4 of the Gas Act 1995, provides for the granting by order of exemptions from the prohibition contained in section 5 of the 1986 Act from carrying on the conveyance, supply or shipping of gas without a licence. This Order contains an exemption in respect of the conveyance of gas through pipes which do not exceed 16.093 kilometres from gas storage facilities (other than facilities where gas is stored in natural porous strata underground) to a pipe-line system operated by a public gas transporter (article 3). The exemption is subject to conditions relating to the provision of information to a public gas transporter to whose pipe-line system gas is conveyed in pursuance of the exemption, if directed by the Secretary of State (article 4), and to conditions relating to the provision of information to the Director General of Gas Supply (article 5).

This Order also contains exemptions in respect of the conveyance and supply of gas to gas storage facilities (other than facilities where gas is stored in natural porous strata underground) (article 7). It continues in force until 1st March 2011, unless revoked earlier.

A regulatory impact assessment of the costs and benefits that will result from this Order will be available in the Libraries of the Houses of Parliament when the Order, having been made, is laid before Parliament, and from the Energy Utilities Directorate, Department of Trade and Industry, Bay 243, 1 Victoria Street, London SW1H 0ET.